

**TERREBONNE PARISH
RECREATION DISTRICT NO. 8
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012**

TERREBONNE PARISH RECREATION DISTRICT NO. 8
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2012

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TERREBONNE PARISH RECREATION DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

This discussion and analysis of the Terrebonne Parish Recreation District No. 8's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2012. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

The District implemented GASB Statements 63 and 65 during the current year. The statements provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources which defines those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. The statement also identifies net position as the residual of all other elements presented in a statement of financial position. The changes in implementing these statements are noted throughout the report.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- The net position increased by approximately 12% as a result of this year's operations. Net position of our governmental activities increased by \$87,148. As a result of this year's operations assets exceeded liabilities by \$812,575 (net position).
- During the year, expenses were \$228,860 more than the \$17,711 generated in program revenues for governmental programs. General revenues of \$316,008 added to the program revenues helped to make up the shortfall to end the year with revenue exceeding expenses totaling \$87,148. This compares to last year when revenues exceeded expenses by \$16,036.
- Program expenses decreased by \$23,514.
- The General Fund ended the year with a fund balance of \$336,929, an increase of \$51,116 from the prior year. Included in the ending fund balance is \$4,612 considered non-spendable and reserved for prepaid insurance, with the remaining of \$143,167 is unassigned and considered available to fund future years budgets.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements)

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

TERREBONNE PARISH RECREATION DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

The Terrebonne Parish Recreation District No. 8 utilizes mainly the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Net position increased from \$725,427 to \$812,575 or about 12%. In comparison, last year net position increased by \$16,036 or about 2%. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the increase this year. The balance in net assets represents the accumulated results of all past years' operations.

Our analysis below focuses on the net position and changes in net assets of the governmental-type activities.

Condensed Statement of Net Position

	2011	2012	Dollar Change	Percent Change
Current and Other Assets	\$ 617,280	\$ 629,563	\$ 12,283	2.0%
Capital Assets	439,614	475,646	36,032	8.2%
Total Assets	1,056,894	1,105,209	48,315	4.6%
Deferred Outflows	288,690	277,770	(10,920)	-3.8%
Current Liabilities	331,467	292,634	(38,833)	-11.7%
Total Liabilities	331,467	292,634	(38,833)	-13.3%
Deferred Inflows	326,163	286,584	(39,579)	-12.1%
Net Invested in Capital Assets	439,614	475,646	36,032	8.2%
Unrestricted	285,813	336,929	51,116	17.9%
Total Net Position	\$ 725,427	\$ 812,575	\$ 87,148	12.0%

TERREBONNE PARISH RECREATION DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

Condensed Statement of Activities

	2011	2012	Dollar Change	Percent Change
Total program expenses	\$(270,085)	\$ (246,571)	\$(23,514)	-8.7%
Total program revenues	20,650	17,711	(2,939)	-14.2%
Net program income	(249,435)	(228,860)	(20,575)	-8.2%
General revenues	265,471	316,008	50,537	19.0%
Change in Net Position	16,036	87,148	71,112	443.5%
Net Position:				
Beginning of the year	709,391	725,427	16,036	2.2%
End of the year	<u>\$ 725,427</u>	<u>\$ 812,575</u>	<u>\$ 87,148</u>	12.0%

Program revenues for the governmental activities increased slightly, while expenses decreased slightly.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The Terrebonne Parish Recreation District No. 8 uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The General fund reported an ending fund balance of \$336,929. This reflects an increase of \$51,116 from last year. Total revenues for the current year were \$333,719 – an increase of 17% from the prior year.

Current expenditures for recreational activities were \$183,335, a decrease of 7% from prior year expenditures. Capital outlay equaled \$90,453, for equipment purchases and building and improvements. The result for the year was an excess of revenues over expenditures of \$51,116.

TERREBONNE PARISH RECREATION DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the year. Authorized budget amendments were approved as follows:

Original Budgeted Revenues	\$284,150
Amendments were made for:	
Increased Ad Valorem taxes	50,000
Total revenue amendments	50,000
Amended Budgeted Revenues	\$334,150

Original Budgeted Expenditures	\$285,700
Amendments were made for:	
Decreased current expenditures	(67,500)
Increased capital expenditures	70,000
Total expenditure amendments	2,500
Amended Budgeted Expenditures	\$288,200

CAPITAL ASSETS

Capital assets, net of accumulated depreciation of \$1,049,372, for governmental activities at year-end were \$475,646. This year there were no deletions and \$90,453 of additions of equipment and improvements. Depreciation of \$54,420 was recorded on capital assets in the governmental activities. More detailed information about the capital assets is presented in Note 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Highlights of next year's General Fund budget include:

TERREBONNE PARISH RECREATION DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

Condensed Summary of Budgeted
Finances

	<u>2013</u>
Anticipated revenues	\$287,650
Expenditures:	
Current	215,000
Capital outlay	<u>120,000</u>
Anticipated expenditures	<u>335,000</u>
Excess (deficiency) of revenues	(47,350)
Fund Balance:	
Beginning of the year	<u>326,292</u>
End of the year	<u><u>\$278,942</u></u>

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Terrebonne Parish Recreation District No. 8's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Johnny Marks, Chairman
1705 Highway 20
Schriever, LA 70395
Phone number 985-447-9040

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Terrebonne Parish Recreation District No. 8
Houma, LA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Terrebonne Parish Recreation District No. 8, a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2012, and the notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Statements*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund as of December 31, 2012 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Commissioners of the
Terrebonne Parish Recreation District No. 8
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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 28, 2013, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

Stagni & Company

Thibodaux, Louisiana
April 28, 2013



TERREBONNE PARISH RECREATION DISTRICT NO. 8

Statement of Net Position

December 31, 2012

ASSETS	
Cash	\$ 346,626
Prepaid Insurance	4,612
Meter Deposits	555
Capital Assets, net of accumulated depreciation	475,646
TOTAL ASSETS	<u>827,439</u>
DEFERRED OUTFLOWS OF RESOURCES	
Ad Valorem taxes receivable	15,542
Due from other governments	262,228
	<u>277,770</u>
LIABILITIES	
Accounts payable and other accrued liabilities	4,931
Due to other governments	1,119
TOTAL LIABILITIES	<u>6,050</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	<u>286,584</u>
NET POSITION	
Net Invested in capital assets	475,646
Unrestricted	336,929
TOTAL NET POSITION	<u>\$ 812,575</u>

See notes to financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2012

	<u>Program Revenue</u>		Net Revenue (Expense)
	<u>Expenses</u>	<u>Charges for services</u>	
FUNCTIONS/PROGRAMS			
Recreational activities:	\$ 246,571	\$ 6,412	\$ (228,860)
Total governmental activities	<u>\$ 246,571</u>	<u>\$ 6,412</u>	<u>(228,860)</u>
GENERAL REVENUES			
Ad valorem taxes			312,522
State revenue sharing			3,171
Interest earned			315
TOTAL GENERAL REVENUES			<u>316,008</u>
CHANGE IN NET POSITION			87,148
NET POSITION:			
Beginning of year			725,427
End of year			<u>\$ 812,575</u>

See notes to the financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Balance Sheet - Governmental Fund - General Fund

December 31, 2012

ASSETS

Cash and cash equivalents	\$	346,626
Ad Valorem taxes receivable		15,542
Due from other governments		262,228
Prepaid Insurance		4,612
Meter Deposits		555
TOTAL ASSETS	\$	<u>629,563</u>

LIABILITIES AND EQUITY

Accounts payable and other accrued liabilities	\$	4,931
Due to other governments		1,119
Deferred revenue		286,584
TOTAL LIABILITIES		<u>292,634</u>

FUND BALANCE:

Non-spendable - Reserved for Prepaid Insurance		4,612
Unassigned		336,929
TOTAL EQUITY		<u>341,541</u>

**RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET POSITION OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET
POSITION:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Add - Capital assets	1,525,018	
Deduct - Accumulated depreciation	<u>(1,049,372)</u>	475,646
Net assets of governmental activities		<u>\$ 817,187</u>

See notes to financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Fund - General Fund
For the Year Ended December 31, 2012

REVENUES

Ad Valorem	\$ 312,522
State Revenue Sharing	3,171
Facility Rentals	4,850
TPCG Grant - Day Camp	12,199
Miscellaneous	662
Interest	315
TOTAL REVENUES	<u>333,719</u>

EXPENDITURES

General government - current:

Ad valorem tax deductions	7,987
Ad valorem tax adjustments	828
Total general government - current	<u>8,815</u>

Recreational - current:

Salaries & Benefits	75,451
Workmen's Compensation	2,637
Day Camp Program	13,143
Office Supplies	959
Gasoline & Oil	3,609
Operating Supplies	7,377
Utilities	12,527
Telephone	1,296
Other Contracts	6,954
General Liability Insurance	4,453
Building Insurance	21,975
Professional Fees	3,248
Accounting Fees	7,750
Building Maintenance & Repairs	11,046
Grounds Maintenance & Repairs	7,514
Equipment Repairs & Maintenance	3,396
Total recreational - current	<u>183,335</u>

Capital expenditures

	<u>90,453</u>
TOTAL EXPENDITURES	<u>282,603</u>

Revenues over (under) expenditures 51,116

FUND BALANCES

Beginning of year	<u>285,813</u>
End of year	<u>\$336,929</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BLANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES:**

Net change in fund balances per above \$ 51,116

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense.

Add - Capital outlay	90,453
Miscellaneous rounding adjustment	(1)
Deduct - Depreciation expense	(54,420)
Change in net assets - governmental activities	<u>\$ 87,148</u>

See notes to financial statements.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2012

The Terrebonne Parish Recreation District No. 8 was created by the Terrebonne Parish Council under La Revised Statute 33:4562 and legally constitutes a body corporate and has the power and right to incur debts and enter into contract and to perform any and all acts in its corporate name that are necessary or proper for carrying out the objects and purposes for which the recreations district is created. This district provides maintenance and operations of recreation facilities, equipment, etc. for the residents of Ward 8 of the Parish of Terrebonne. The District is governed by 5 Commissioners who are appointed by the Terrebonne Parish Council.

The District implemented GASB Statements 63 and 65 during the current year. The statements provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources which defines those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. The statement also identifies net position as the residual of all other elements presented in a statement of financial position. The changes in implementing these statements are noted throughout the report.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

As the governing authority, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. Because the Terrebonne Parish Consolidated Government could by definition in statute be financially burdened by the Terrebonne Parish Recreation District No. 8, the District was determined to be a component unit of the Terrebonne Parish Consolidated Government. The accompanying financial statements present information only on the funds maintained by the District and its component unit and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental reporting entity.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2012

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

The accompanying financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ending December 31, 2012.

C. Fund Accounting

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:

Governmental Fund Type

Governmental funds account for all of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid.

The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

General Fund - The General Fund is used to account for all financial resources and expenditures except those required to be accounted for in other funds.

D. Measurement Focus / Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2012

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Measurement Focus / Basis of Accounting (continued)

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2011 property taxes which were levied to finance the 2012 budget are recognized as revenue in 2012. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

Expenditures – The major expenditures for recreational programs and maintenance are recorded when payable or when the fees are incurred.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2012

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Measurement Focus / Basis of Accounting (continued)

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

Program Revenues - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function.

General Revenues - Taxes and other items not properly included among program revenues are reported instead as general revenues.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Operating Budgets

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District's General Fund. The Board, as allowed by state law, does not obtain public participation in the budget process.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2012

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. The district amended its budget during the year for the year ended December 31, 2012. All budgeted amounts that are not expended or obligated through contracts lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

H. Receivables

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

I. Capital Assets

Capital assets are recorded at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets purchased or acquired with an original cost of \$500 or more are recorded in the GWFS. Capital assets with an estimated historical cost amounted to approximately \$800,000 or 52% of the total capitalized cost of assets. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

CATEGORY	LIFE
BUILDINGS	7-40 YEARS
IMPROVEMENTS	5-25 YEARS
FURNITURE & EQUIPMENT	5-20 YEARS

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2012

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

J. Restricted Net Assets

For government-wide statement of net position, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

K. Fund Equity

For government-wide financial statements net assets are classified and displayed in three components:

1. Net Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
2. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the entity's board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the entity's board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2012

Note 2 DEPOSITS

A summary of deposits are listed as follows:

	Bank Balance	Reported Amount
Cash	\$321,860	\$318,656
Certificates of deposit	27,970	27,970
Totals	\$349,830	\$346,626

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits.

Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the Terrebonne Parish Recreation District No. 8. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. As of year-end \$99,830 of the bank balance of deposits was considered exposed to custodial credit risk. At December 31, 2012 these deposits in excess of FDIC were insured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name with a market value of \$205,117.

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2012

Note 3 AD VALOREM TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2012. Taxes are due ad payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2012 was 9 mills of assessed valuation on property within Terrebonne Parish Recreation District No. 8 for the purpose of acquiring, constructing, maintaining and operating recreation facilities within the District, including purchases of equipment.

Note 4 CAPITAL ASSETS

Information about capital assets and depreciation for the year follows:

	Balance	Additions	Deletions	Balance
	12/31/2011			12/31/2012
NON-DEPRECIABLE ASSETS				
Land	\$70,820			\$70,820
DEPRECIABLE ASSETS				
<u>COST</u>				
Buildings	820,770			820,770
Improvements other than buildings	220,629	64,337		284,966
Furniture & equipment	322,346	26,116		348,462
Total cost of depreciable assets	1,363,745	90,453		1,454,198
 ACCUMULATED DEPRECIATION				
Buildings	663,952	20,519		684,471
Improvements other than buildings	129,710	15,849		145,559
Furniture & equipment	201,290	18,052		219,342
Total accumulated depreciation	994,952	54,420		1,049,372
 Net depreciable assets	368,793			404,826
Net capital assets	\$439,613			\$475,646

Depreciation Expense of \$54,420 was recorded in the governmental activities.

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Notes to the Financial Statements
For the Year Ended December 31, 2012

Note 5 RISK MANAGEMENT

The District is exposed to various risks of loss related to workmen's compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters and group benefits for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability and workers' compensation. No settlements were made during the year that exceeded the District's insurance coverage.

Note 6 COMPENSATION OF BOARD MEMBERS

Total compensation of \$1,350 was paid to the following Board Members:

Sue Adams	\$275
Charles Bellizana	\$250
Darrell Hebert	\$275
Johnny L. Marks	\$300
Roosevelt Seymore	\$250

***REQUIRED SUPPLEMENTAL
INFORMATION***

TERREBONNE PARISH RECREATION DISTRICT NO. 8

Budget Comparison Schedule - General Fund
For the Year Ended December 31, 2012

	Budgets		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Ad Valorem Taxes	\$260,000	\$310,000	\$312,522	\$ 2,522
State Revenue Sharing	4,650	4,650	3,171	(1,479)
Facility Rentals	3,000	3,000	4,850	1,850
TPCG Grant - Day Camp	15,500	15,500	12,199	(3,301)
Miscellaneous	500	500	662	162
Interest	500	500	315	(185)
TOTAL REVENUES	284,150	334,150	333,719	(431)
EXPENDITURES				
General government - current:				
Ad valorem tax deductions	10,500	10,500	7,987	2,513
Ad valorem tax adjustments	200	200	828	(628)
	<u>10,700</u>	<u>10,700</u>	<u>8,815</u>	<u>1,885</u>
Recreational - current:				
Salaries & Benefits	81,500	74,500	75,451	(951)
Workmen's Compensation	3,500	3,500	2,637	863
Office Supplies	3,500	1,100	959	141
Gasoline & Oil	4,500	4,000	3,609	391
Operating Supplies	25,000	10,000	7,377	2,623
Day Camp Program	6,500	6,300	13,143	(6,843)
Utilities	16,000	15,000	12,527	2,473
Telephone	2,300	1,300	1,296	4
Other Contracts	9,500	9,400	6,954	2,446
General Liability Insurance	4,500	4,500	4,453	47
Building Insurance	24,000	24,000	21,975	2,025
Professional Fees	5,300	3,600	3,248	352
Accounting Fees	8,900	7,200	7,750	(550)
Building Maintenance & Repairs	10,000	10,000	11,046	(1,046)
Grounds Maintenance & Repairs	25,000	9,400	7,514	1,886
Equipment Repairs & Maintenance	25,000	3,700	3,396	304
Total recreational - current	<u>255,000</u>	<u>187,500</u>	<u>183,335</u>	<u>4,165</u>
Capital expenditures	<u>20,000</u>	<u>90,000</u>	<u>90,453</u>	<u>(453)</u>
TOTAL EXPENDITURES	285,700	288,200	282,603	5,597
Revenues over (under) expenditures	(1,550)	45,950	51,116	5,166
FUND BALANCES				
Beginning of year	3,362	3,362	285,813	282,451
End of year	<u>\$ 1,812</u>	<u>\$ 49,312</u>	<u>\$ 336,929</u>	<u>\$ 287,617</u>

***REPORTS REQUIRED BY GOVERNMENT
AUDITING STANDARDS***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Commissioners of
Terrebonne Parish Recreation District No. 8
Houma, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Terrebonne Parish Recreation District No. 8, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated April 28, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we do not express an opinion on the effectiveness of the internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

April 28, 2013
Thibodaux, Louisiana



Terrebonne Parish Recreation District No. 8
SCHEDULE OF CURRENT YEAR FINDINGS
For the Year Ended December 31, 2012

We have audited the basic financial statements of the Terrebonne Parish Recreation District No. 8, a component unit of Terrebonne Parish Consolidated Government, which collectively comprise the basic financial statements as of and for the year ended December 31, 2012, and have issued our report thereon dated April 28, 2013. We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our independent auditor's opinion on the basic financial statements was unqualified.

Section I - Summary of Auditor's Reports

- The auditor's report expresses an unqualified opinion on the basic financial statements.
- No deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
- No instances of noncompliance or other matters under *Government Auditing Standards* were disclosed during the audit of the financial statements.
- No instances of noncompliance under the provisions of Louisiana Governmental Audit Guide were disclosed during the audit of the basic financial statements.
- The District neither received nor expended any federal awards during the year.

Section II - Financial Statement Findings

- There were no financial statement findings during the audit of the basic financial statements.

Section III - Federal Award Findings and Questioned Costs

- There were no federal award findings during the audit of the basic financial statements.

